

Troops Fire on Students

Shah Foes Press Politician To Refuse to Form Cabinet

TEHRAN, Dec. 21 (UPI) — Troops today fired to disperse several hundred student demonstrators on Tehran University campus, and the shah's opponents tried to stymie the monarch's attempts to form a "national reconciliation" government. The opponents contended that they had been told by Ayatollah Ruhollah Khomeini in Paris to block the formation of a government.

Iranian soldiers intervened to stop the student demonstration as several hundred other students and teachers held a sit-in at the university to press political demands.

Troops also intervened today when mourners of a mullah in Tabriz, in western Iran, shouted anti-shah slogans during the mullah's funeral.

But troops were withdrawn yesterday from the central city of Yazd as a sit-in staged by the clergy there continued for the sixth day, reports reaching Tehran said.

Hospital Shooting Protest

The Tehran sit-in was to protest the shooting last week by troops in a hospital in Mashad, northeastern Iran, in which two babies were killed by broken glass and two persons died from gunfire.

Sit-ins were continuing in several other towns, the opposition sources said.

A spokesman for the National Front, a coalition of five opposition parties, said that the exiled ayatollah yesterday called opposition leaders from Paris to block the formation of a civilian Cabinet that

the shah had hoped would help end the nation's bloody turmoil. The spokesman said that the ayatollah, the shah's leading opponent, called to discourage political leader Gholam Hossein Sadighi, a former member of the National Front, from forming a cabinet. The front released no further details of the conversation.

Denial of Khomeini

[A spokesman for Mr. Khomeini in Paris denied that the ayatollah had telephoned opposition groups to block formation of a reconciliation government, but said that the ayatollah "maintains his policy of opposing any politician who accepts any position under the rule of the shah."

The National Front wrote to Mr. Sadighi, 73, warning him "not to expect any support from us" if he formed the Cabinet as requested by the shah. It also issued a statement vowing to oppose any attempt to form a government that "supports the illegal monarchy."

The shah conferred on Sunday with Mr. Sadighi, a longtime political foe who was jailed five times for his opposition activities, and sources close to Mr. Sadighi said he had been asked to put together a civilian Cabinet within two weeks to replace the military government that was installed Nov. 5.

A spokesman for Mr. Sadighi said the former interior minister was trying to put together a government of "people who have not served in any government for the past 25 years."

Opposition sources said the shah had accepted two demands that Mr. Sadighi made in return for agreeing to head a new government — the authority to reorganize the SAIR secret police and to manage the day-to-day affairs of the country.

In the southern oil fields, production was reported back up to 3.5 million barrels a day with 60 percent of the striking oil workers returning.

Oil-industry sources said that they considered the crippling oil strike to have been "contained" and that they expected production to return by next week to the normal level of 5.9 million barrels a day.

The first incidence of violence in Tehran in nearly a week broke out yesterday when police fired on striking merchants in the bazaar. Witnesses said that three merchants were killed.

The army yesterday sealed off the holy city of Qom, 75 miles southwest of Tehran, in an attempt to forestall new violence after a week of relative calm.

Bhutto Makes Court Appeal

RAWALPINDI, Pakistan, Dec. 21 (Reuters) — Condemned former prime minister Zulfikar Ali Bhutto today urged the Pakistan Supreme Court to keep politics out of its decision on whether or not he should be executed.

"There can be no bargaining in justice. There can be no compromise, solution or extraneous feeling about national interest," he told the court as he summed up four days of submissions. The seven judges are expected to complete by next week their hearing of Mr. Bhutto's appeal of his death sentence for conspiring four years ago to murder a political opponent.

Mr. Bhutto, 50, who was overthrown in a coup last year, appeared satisfied that he had made an impression on the judges and said he felt the case against him had been "smashed to smithereens."

Carter Aides Are Accused Of Rejecting Shah Critics

By Seymour M. Hersh

WASHINGTON, Dec. 21 (NYT) — Responding to White House complaints about an intelligence failure in Iran this summer and fall, State Department and CIA officials are accusing key presidential aides of refusing to accept any criticism of Shah Mohammed Reza Pahlavi.

At the root of the debate over who is to blame for the surprise over the weakening of the shah's regime is a policy that emerged in the mid-1960s forbidding both the State Department and the CIA from making contact with Iranian opposition movements. The ban started, intelligence officials have disclosed, after the shah began to express anxiety about such contacts.

In a series of recent interviews, however, State Department and intelligence officials said that the lack of first-hand information was only one reason for the administration's seeming inability to quickly perceive the extent of the discontent in Iran when the latest wave of demonstrations and violence began in Tehran early last month.

Another element, these sources

said, was the refusal earlier this year of Zbigniew Brzezinski, the president's national security adviser, and other high-level officials to deal with the State Department's analyses and critiques suggesting that the shah was facing growing military, social and economic problems because of his multibillion-dollar program of arms purchases.

In late spring, the sources said, Mr. Brzezinski, with the support of other senior administration officials, refused to permit a State Department review of potential Iranian problems to be placed on the agenda for a Cabinet-level meeting on a package of proposed arms sales to the shah.

Experts in the State Department and CIA said they had agreed to talk openly about intelligence activities in Iran because they were angry and concerned that the White House was seeking to make the intelligence agency a scapegoat, a word used by a number of officials, by suggesting that it had failed to warn President Carter adequately about last month's demonstrations in Iran.

A well-informed CIA official said that the agency's many clandestine operatives in Iran had been ordered to concentrate on obtaining intelligence about the Soviet Union, which shares a long border with Iran, particularly in the 1960s after the shah expressed suspicions that some U.S. agents had established liaison with opposition groups. The official said, "For more than 10 years we've been unable to penetrate the domestic opposition in Iran — it's been a no-no."

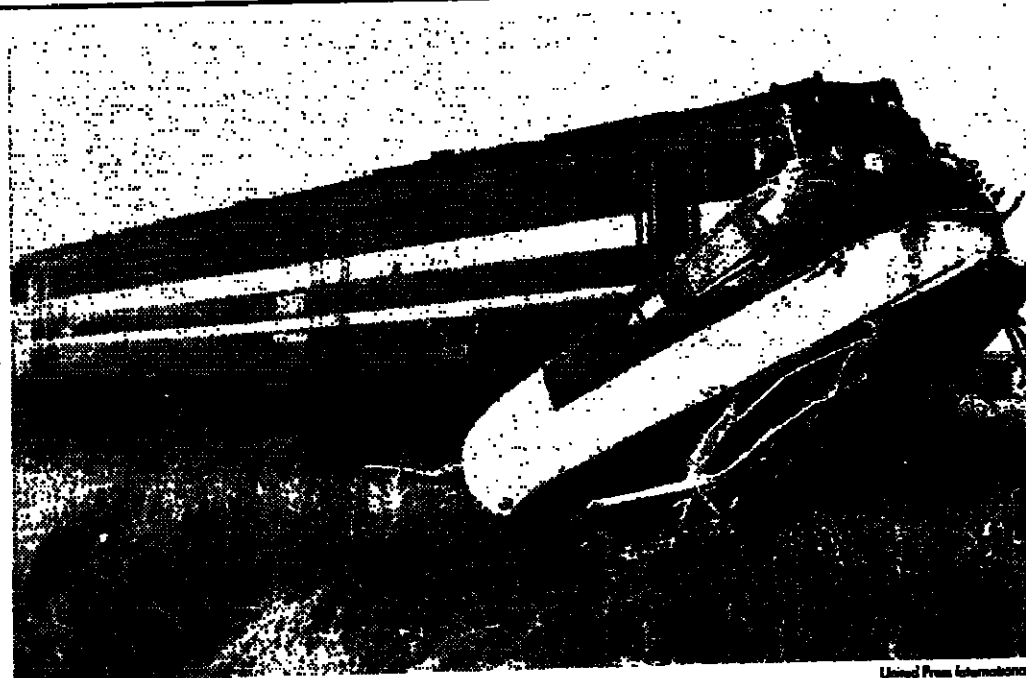
A State Department official explained that the department's policy was that "you don't talk to the opposition." "It may not have been written down," he added, "but it was a conscious policy."

Locusts Menace Eastern Africa

NAIROBI, Dec. 21 (AP) — Millions of desert locusts are ready for invasion, the East African Desert Locust Control Organization warned today.

It said that the insects have matured in areas of southern Ethiopia and Somalia and now are threatening to spread destruction there and across northern Kenya, Tanzania, Uganda and Sudan.

The warning indicated that all six countries, plus Djibouti and part of Zaire, are menaced by the worst locust plague in recent years. Measures must be taken urgently to lessen the impact of the invasion because it is already too late to prevent it, the organization said.



Schoolbus wrapped around the nose of a Spanish train in accident in province of Salamanca.

28 Children Killed in Spanish Train-Bus Collision

MUNOZ, Spain, Dec. 21 (UPI) — A locomotive struck a schoolbus at an ungarded level crossing in Salamanca province today, killing 28 children and injuring 36, railroad authorities said.

The children, all between the ages of 6 and 14, were traveling on the bus to the regional school at San Esteban. The bus was heading to Munoz to pick up the last student.

Surviving children told police that they saw the train coming and warned the driver but he answered, "Don't worry. We have time."

The crossing is at the top of a hill where it is difficult for drivers to see an approaching train, railroad officials told police.

The locomotive hit the bus with such impact that debris was scattered for a radius of 200 meters.

Tests Show 2d Gunman Shot at Kennedy

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parts who reached the conclusion, but other sources identified them as Mark Weiss and a colleague from Queens College in New York, both trained in acoustical and electrical engineering. Mr. Weiss was a member of the court-appointed panel that analyzed the long gap on one of President Nixon's Watergate tapes.

An initial study of the Dallas police-radio recording was made for the House committee earlier this year by James Barger, an acoustics expert with the Massachusetts firm of Bolt, Beranek and Newman. In testimony before the committee Sept. 11, he said his work on the tape showed a 50-50 possibility of a fourth shot, from the grassy-knoll area.

Asked for Conclusion

Mr. Weiss and his colleague were asked by the committee to see whether they could reach a more definite conclusion. They concentrated on the third of the four noises that Mr. Barger's studies had identified as possible gunshots.

The third noise had come from the grassy-knoll area where photographic evidence — by itself inconclusive — shows an individual behind a fence with a linear object next to him. The object that could not be identified further.

Concentrating on the noise from the grassy knoll, Mr. Weiss and his colleague plotted the echo pattern mathematically and traced every building and other object that it bounced off.

The work was so precise, one source said, that "they could tell us there was probably a boxcar on the [nearby] railroad tracks. They even identified the press box coming around the corner."

The acoustics experts also reportedly fixed the position of the motorcycle and even determined the side of the motorcycle where the microphone was located.

As part of the study, the experts obtained an old, presumably similar, microphone and motorcycle and conducted test firings in New York with the help of New York

police. From those tests, sources said, "They were able to reproduce the sound on the [Dallas] tape."

Rep. Sawyer said that Mr. Barger studied the new data and agreed with the findings. "Barger was there [at the meeting Monday night] and he was totally in concurrence," Rep. Sawyer said.

Rep. Sawyer said he was "probably in hot water" for disclosing testimony taken in executive session, but he said he found himself under detailed questioning during the radio show.

"There was no way I could answer them," he said of his interviewers, "without getting into this."

The new findings leave the committee in a quandary. With its final report due in the next two weeks, Rep. Sawyer said, "I don't know how in the name of heaven we are going to handle this."

Only three cartridge cases were

found near the sixth-floor window of the book depository where Oswald was.

The Warren Commission said that one bullet missed, that another hit Mr. Kennedy in the back of the neck and then wounded Gov. John Connally of Texas, and that a third struck the president in the head.

Panel to Reopen Hearings

WASHINGTON, Dec. 21 (UPI) — The Assassinations Committee will reopen its public hearings next week to examine new evidence suggesting that Oswald may have had an accomplice.

Robert Blakey, the committee's chief counsel, refused to comment on the report, but it was learned that the committee would meet in closed session tomorrow and that at least one public hearing would be held next week.

Israel Raids Lebanon Sites After Terrorist Shellings

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Katunya, a 122-millimeter rocket, has a range of about 15 miles and is considered by weapons experts to be an effective missile against "area targets" such as towns.

After visiting the shelled area, Defense Minister Ezer Weizman said, "The shelling was a reminder of things we'd begun to forget in the past months, but after due consideration and evaluation we shall arrive at decisions and carry them out."

Army officials said the rockets were fired from Nabitya and Aukaba, inside Lebanon. Nabitya was described as one of the strongest centers of the PLO. Nabitya is about 12 miles northwest of Qiryat Shmona, which has a population of about 25,000.

Qiryat Shmona, which over the years has been one of the most shelled towns in Israel, has developed a network of bunkers and has a sophisticated civil-defense system. Many of the town's residents were asleep at the time of the 6:55 a.m. shelling, but others were on their way to work and were hit by shrapnel.

The fatality was a 23-year-old Israeli cabinetmaker who had arrived the day before for reserve Army

duty. In addition to the six wounded, five children were hospitalized with shell shock.

Army officials said the Israeli artillery units shelled the two Lebanese positions for about 40 minutes, beginning at 7 a.m. At 9 a.m., the terrorists reportedly fired again on the town, and the fire was returned.

Throughout Israel, security has been intensified in the wake of a rash of bombings, most of them in Jerusalem.

Vance, Gromyko Meet on SALT; Delays Are Seen

GENEVA, Dec. 21 (Reuters) — U.S. Secretary of State Cyrus Vance and Soviet Foreign Minister Andrei Gromyko today concluded the first session of a new round of strategic arms limitation talks, but there was uncertainty over whether an accord could be completed this week and open the way for a summit meeting next month between President Carter and Soviet leader Leonid Brezhnev in Washington.

After an exchange of statements by Mr. Vance and Mr. Gromyko, U.S. spokesman Hodding Carter 3d said that the talks may have to be extended for a third day.

U.S. officials appeared to dampen earlier optimism by saying that it was uncertain whether all issues could be resolved during this round. Some members of the Vance team expected the Soviet negotiators to be unyielding for several sessions, with concessions granted only late in the talks.

Officials aboard Mr. Vance's plane told reporters en route to Geneva that this meeting was virtually a now-or-never session, which would end with either success or failure.

Transmission Fails After Record 110 Minutes

Soviet Probe Sends Data From Venus

MOSCOW, Dec. 21 (UPI) — An unmanned Soviet probe today made a soft landing by parachute on Venus and relayed scientific data to Earth for 110 minutes before it went dead.

The probe was equipped with television cameras but Tass did not report whether pictures were sent back.

Tass said that the descent vehicle separated from its mother ship, Venus 12, two days ago, and that as the probe made its final approach, the mother ship flew past the planet at a distance of 21,750 miles (35,000 kilometers) to act as a reflector and bounce back information from the ground to the Earth.

Tass did not explain whether the probe could be reactivated or whether it had been affected by the planet's 900-degree temperature — hot enough to melt zinc — and pressure 90 times greater than that of Earth.

The probe entered the planet's atmosphere at 7 miles per second (11.2 kilometers per second), and its descent was slowed by parachute and braking devices.

Studies Clouds

During the last 35 miles of descent, the probe measured the composition of the swirling clouds of Venus and studied electrical charges in the atmosphere, Tass said. The spacecraft flight included studies of solar wind and gamma rays.

The 110-minute transmission was the longest in the Soviet Union's highly successful history of Venus probes, extending by 50 minutes the transmission of Venus 10, which landed Oct. 25, 1975.

The Soviet Union first landed a device on Venus on March 1, 1966, with its Venus 3. It was the first landing of a man-made object on another planet.

Venus 9 sent back the first pictures from Venus' surface on Oct. 22, 1975, feeding data for 53 minutes.

The Venus 12, which was launched Sept. 14, neared Venus four days before the scheduled arrival of Venus 11, which was launched Sept. 9.

Both spacecraft neared Venus more than two weeks after the arrival of two U.S. spacecraft that sent four probes to the planet on Dec. 9.

The missions by the United States and the Soviet Union were not planned together; they were clearly designed to take advantage of the current relative nearness of Venus to Earth — 35 million miles.

Tass said that during Venus 12's 98-day flight, however, it had to cover 150 million miles because it had to be launched in a looping trajectory in front of Venus — like a hunter leading a bird.

Tass said that the probe carried to the surface a pennant with the image of Lenin and the seal of the Soviet Union.

Crisis Seen Closer

Italy Communists Renew Call to Set Up Coalition

By Henry Tanner

ROME, Dec. 21 (NYT) — The Italian Communist Party, for the first time in almost a year, yesterday renewed its call for the formation of a "government of national unity" that would include Communist Cabinet ministers.

The statement was made at a news conference by Enrico Berlinguer, the party leader, against a background of growing speculation that Premier Giulio Andreotti's government may fall early next year due to disagreements over internal economic policies.

The government consists of ministers belonging to Mr. Andreotti's Christian Democratic Party, but has stayed in power by gaining the parliamentary support of the Communists, Socialists and two smaller parties. The Communists joined the parliamentary majority in a formal agreement last March in exchange for a promise of being able to exert major influence on government decisions.

The Communists have become increasingly unhappy with the arrangement during the last seven months.

A major part of the party's rank-and-file membership and a number of its leaders are known to feel that the arrangement has failed to give the party sufficient power to influence government policies, and that the party must either achieve full membership in the government or reassess its previous role as a militant opposition party.

"We are not pushing for a government crisis . . . but if it comes, we will propose a coalition government of national unity," Mr. Berlinguer said.

Tough Position

He charged, in effect, that the Andreotti government had failed to respect the agreements it had entered with the Communists and the other parties. And he made clear that the Communists would take a tough position in January when the government's plan for economic austerity is up for parliamentary debate.

A week ago the Communists broke the majority rule by voting against a motion endorsing Mr. Andreotti's decision to take Italy into the newly created European Monetary System as a charter member on Jan. 1.

But no government crisis resulted, because the Socialists, who were also unhappy with Mr. Andreotti's move, abstained.

The Italian Communists and Socialists have taken strong positions for European unity, and neither party wanted to tarnish its good "European image" by precipitating a government crisis on that issue six months before election of delegates to the European Parliament.

As for discussion of the government's internal economic policies, the two parties will feel no such restraints.

Union Reaction

At stake is the so-called Pandolfi plan, named after Finance Minister Filippo Pandolfi. The plan calls for austerity measures including reduction in government spending, restraints on wage demands by labor and greater labor mobility and productivity.

In the spring, Luciano Lama, the head of the Communist-dominated General Federation of Labor En-

dorsed the plan's goals in principle and pledged to cooperate. So did the leaders of the Communist Party.

But since then the rank-and-file members of the unions and the left parties have increasingly concluded that the proposed austerity measures would favor the rich and impose a further unfair burden on the poor, the unemployed, the elderly and other disadvantaged sectors.

As a result of such pressure, union leaders now oppose reform of the country's costly pension system as well as abolition of the "sliding scale" that ties wages to the inflation rate. Both were originally features of the Pandolfi plan.

The plan is scheduled for debate in Parliament in early January.

When they argued against immediate Italian entry into the new Eu-



Enrico Berlinguer

ropean Monetary System, the Communists and Socialists said it would commit the government to internal economic austerity measures before Parliament had had time to discuss those measures.

Brezhnev Wrote to Carter Of Concern on China Ties

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Soviet interests and influence — especially in Asia, and possibly in Africa.

The Kremlin foreign-policy adviser, Georgi Arbatov, said there would be "no place for détente" if Washington and Peking formed even an informal alliance. These concerns were apparently reflected in Mr. Brezhnev's message.

The Soviet leader "took notice" of Mr. Carter's pledge "not to use a Chinese-U.S. alignment against Soviet interests," Tass said, and Mr. Brezhnev stressed the long-held Soviet view that diplomatic relations are natural among sovereign states.

Then Tass continued: "It is another question on what basis the normalization takes place, what aims are pursued by the sides. This question is also natural, especially bearing in mind the quite definite trend of the USSR's present course."

Chinese Vocabulary

"In this connection, the [Brezhnev] reply message draws attention to the fact that the joint American-Chinese communique contains expressions whose direction is beyond doubt, if one bears in mind the usual vocabulary of the Chinese leaders."

"Of course, Brezhnev says in his reply, the Soviet Union will most closely follow what the development of American-Chinese relations will be in practice and from this will draw appropriate conclusions for Soviet policy."

The reference to the communique involved the section that used language with anti-Soviet implications. "Neither should seek hegemony in the Asia-Pacific region or any other region of the world," the communique declared, "and each is opposed to efforts by any other country or group of countries to establish such hegemony."

This is Peking's way of accusing the Russians of attempts to dominate Asia. The Russians also use the term against the Chinese. The lexical endorsement by the United States, however, is something new, and in a document with Peking, it has aroused interest among Western diplomats, who see it as alarming the Russians into leaning toward China to counter Soviet interests.

It is not clear whether U.S. experts on the Soviet Union had any hand in the communique. The U.S. Embassy in Moscow was completely left out of the process. Ambassador Malcolm Toon was not even informed in advance that relations were to be established — although Soviet Ambassador Anatoli Dobrynin was told at the White House — and Mr. Toon learned of the development the following morning while listening to the news on the Voice of America.

He was not aware of the hegemony clause in the communique until

Self-Image In Germany

(Continued from Page 1)

around because she was now considered part of a group of 60 or so that not only felt obliged to give get-acquainted, engagement and wedding parties, but parties for birthdays, vacation departures, the birth of a child, a pay raise, purchase of a new car, or leaving the firm.

The 13 pay grades in the firm grant at least a party a week, Mrs. Wagner said, and these were generously supplemented by the vacation-departure celebrations, because everyone has a right to two holidays a year.

"The partying starts in the morning," she said, "let's say around 10. The rationale for this is that people say they don't want to drink after lunch because then they would drive home with alcohol in their blood. Then everybody goes out for a big lunch and they come back late. The next thing they say is that it's really too late to get started on work anyway. Finally, everybody leaves a bit early."

Mrs. Wagner, who grew up with the work ethic, says the pressures not to sit at your desk and type a letter are too strong to resist. "You make yourself most unloved by turning up your nose, and the big bosses just look the other way when the parties go on."

Mrs. Wagner is leaving the firm soon. She says it will have no trouble finding a replacement.

some U.S. correspondents asked him about it.

Whatever apprehensions the Russians have, they are avoiding direct criticism of the United States during a period of sensitive negotiations in Geneva between Secretary of State Cyrus Vance and Foreign Minister Andrei Gromyko, who are trying to conclude a long-sought agreement on limiting strategic arms and to arrange a Carter-Brezhnev meeting for early next year.

Soviet attacks on China have risen sharply, however. Newspaper articles and Tass dispatches have stepped up the war of words over China's activities in southeast Asia, especially its alleged pressure on Vietnam, which signed a friendship treaty with Moscow last fall.

Tonight, Soviet television showed a program called "Maoism: China's Tragedy," stressing the Peking leadership's view that war with the Soviet Union is inevitable and with films portraying Chinese officers as fanatics. Soldiers were shown breaking bricks in half with single blows of their fists, and scaling buildings like ants, without ropes or tools. If it was meant to be frightening, it succeeded.

Vance Bid On Mideast

(Continued from Page 1)

his negotiations in Geneva tomorrow with Soviet Foreign Minister Andrei Gromyko on a new strategic arms accord.

The Egyptian-Israeli peace negotiations struck an impassable week while Mr. Vance was shuttling between Cairo and Tel Aviv, after President Anwar Sadat finally gave his approval of a draft peace treaty but attached conditions that Israel rejected.

Yesterday, U.S. officials went to considerable lengths to emphasize that Mr. Vance had proposed the Brussels meeting only after getting strong hints that both sides would welcome a resumption in negotiations.

They said that all sides were "enthusiastic" about the forthcoming meeting and emphasized that Washington particularly wanted to avoid carrying on polemics with the Israelis over who was responsible for the earlier breakdown of the negotiating process.

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13 in India Are Killed

(Continued from Page 1)

tentions may last only overnight and some were arrested for the second time today.

Many of those detained "voluntarily" arrest by violating official bans on street protests and climbing unaided into police trucks. This tactic to fill the jails and embarrass the government was used during India's independence struggle with Britain.

Two hijackers who seized control of an Air India Boeing 737 jetliner yesterday to win Mr. Gandhi's release surrendered today after nearly all their 130 hostages escaped from the plane's rear exit. They threatened the crew and passengers with weapons that turned out to be toy guns and a red cricket-ball "grenade."

They were taken to Lucknow, about 260 miles southeast of New Delhi, where officials said they would be allowed to hold a news conference, meeting one of their demands. No one was hurt in the incident.

Officials of Mrs. Gandhi's Indian Congress Party charged that the hijacking and violence was a plot to discredit the party.

In the northern Indian city of Kanpur, the former prime minister's supporters occupied an important tax branch office and beat several officials. UNI reported that the group, numbering about 150, was dispersed by police.

In West Bengal, 500 Gandhi supporters detained a train for more than 24 hours at a station about 35 miles north of Calcutta.

Hussein Delays Return

LONDON, Dec. 21 (UPI)

King Hussein has postponed his return to Amman until tomorrow, Jordan Embassy said today.

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U.S. Rights Group Cuts Staff

Growing Financial Crisis Imperils Work of NAACP

By Steven V. Roberts

NEW YORK, Dec. 21 (NYT) — The National Association for the Advancement of Colored People is tipped by a financial crisis that threatens to strangle one of the leading voices of black America. The official deficit is \$680,000, but sources said that it might reach \$1 million. Sixteen employees, more than 10 percent of the staff, have already been dismissed, and plans to add 10 new employees have been canceled.

The crisis stems from a wide range of causes. Inflation has driven up the cost of everything, from postage to fuel bills. A recent wage settlement gave association employees a large pay boost. Ambitious expansion plans were not matched by fund-raising efforts to cover the added expenditures. Her groups and leaders, from Aaron Jordan of the Urban League to the Rev. Jesse Jackson of SCLC (People United to Save Humanity), have competed for publicity and funds. Congressional decisions and rulings have made it more costly for civil rights groups to pursue challenges against Northern school districts. Public support for rights activities has gradually ebbed since the fervent days of early 1960s.

View by Whites

"Whites have brought the perdition that we've arrived," said J. Edgar Hoover, the association's legal counsel. They interpret any additional step as taking something away from them. Benjamin Hooks, the executive director, is: "The national mood is excessively conservative and certainly supportive of programs for the poor and oppressed." Fund-raising drives to close the budget gap have largely failed. More than a dozen phones were recently installed in the board room association headquarters here to handle the response to a national Christmas appeal headed by Hank Aaron, the former baseball player. The phones sit idle all day long. Mr. Hooks, who succeeded Roy Wilkins as the executive director last year, acknowledges the problem and dislikes its implications.

Not Rescued From Sea

ALERMO, Sicily, Dec. 21 (AP) — The German pilot of a Cessna executive plane that plunged into the Tyrrhenian Sea two days ago was found alive and rescued today, police reported. They said the pilot, Walter Kellner, was saved by the crew of an Italian seaplane.

"I've been so damn busy I've had no time to do anything else," he said. "I hate fund raising!" At the same time, he insisted, the crisis will not stop the association from speaking out or pressing lawsuits on a wide range of issues. "The NAACP is alive and well," he insisted. Founded 119 years ago, the NAACP reached a peak of influence in 1963, when national attention focused on the civil rights struggle and membership soared to 524,000. But even then, Mr. Hooks recalled, civil rights organizations lived on a shoestring and a prayer. As the decade progressed, civil rights issues seemed to grow more confused and less urgent, and black and white alike, turned to other concerns. Officially the membership dropped to about 430,000, but that includes 140,000 youth and life members who pay virtually no dues.

Brief Surge

Public backing surged briefly two years ago when the NAACP lost a lawsuit brought by white merchants in Port Gibson, Miss., and needed to post a bond of \$1.6 million or face bankruptcy. The money was raised, but ironically, that success only pointed up an essential weakness. People need a compelling crisis before they will give and, now, any who donated in the emergency recent being tapped again. In gross figures, fund raising is actually going up, Mr. Hooks noted, but it has lagged far behind inflation. For example, the association budgeted \$100,000 to computerize its membership lists, and has already spent more than \$250,000. Some staff members blame Mr. Hooks for excessive spending, and his well-appointed 12th floor office is referred to scornfully as "the penthouse." Mr. Hooks replies that he inherited most of the spending plans and cannot be held accountable.

Another problem is that congressional riders in recent years have crippled the ability of the government to pursue school desegregation cases. That leaves most of the burden to private litigants, such as the NAACP, who have more work than they can handle. Moreover, the Supreme Court has recently insisted that all plaintiffs prove that a school district has been guilty of intentional discrimination before the courts impose any remedy. "We can still prove these cases," Mr. Jones, the general counsel said, "but the resources required are enormous."



ARIZONA RESCUE — Arizona Highway Patrolman Dick Pruitt lifts gear into helicopter after he became stranded northwest of Phoenix Tuesday in flood after two days of rain.

House Unit Urges Immigration Changes

By Marjorie Hunter

WASHINGTON, Dec. 21 (NYT) — A House committee has proposed major changes in the nation's immigration policies in order to stem the flow of illegal aliens into the United States.

In issuing a report yesterday of its findings and recommendations, the House Select Committee on Population said that the immigration situation was potentially explosive.

"What we now have is a chaotic nonpolicy on both legal and illegal immigrants," said Rep. James Scheuer, D-N.Y., chairman of the committee. The committee made the following recommendations:

- Allocation of funds for stricter enforcement efforts along the U.S.-Mexican border — the entry point for an estimated 60 percent of all illegal immigrants into the United States.
- Increased foreign aid to help Mexico develop family-planning programs and to create jobs in that country in order to reduce pressure to migrate to the United States.
- Increased agricultural and trade concessions to Mexico, along with opening U.S. markets to goods produced by Mexican factories and farms.
- Deportation of any legal immigrant who receives welfare payments within five years after entering the United States.
- Legislation to make U.S. sponsors of legal immigrants financially responsible for their charges.
- Legislation to set up a fraudulent-document laboratory in the Immigration and Naturalization Service to help control the market for counterfeiters of birth certificates, driver licenses and Social Security cards.

legislation to give the INS the right to seize and dispose of vehicles used to smuggle illegal aliens into the United States.

• Expansion of the INS investigative staff to enable it to locate those persons who enter the United States legally as students or tourists and who overstay their visa limits.

• Creation of a \$10-million research program to determine the impact of legal and illegal immigration on social services and the labor force in the United States.

Rep. Scheuer conceded that the total program would be costly, but he said that it would save money in the long run. The committee report carried no specific price tag. He said that there had been a "shocking lack" of interest in the immigration situation by this and past administrations. He called the immigration proposals offered last year by President Carter "not really serious proposals," because, he said, they were based on "pitiful illusions" about how to handle the problem.

Carter's Plan

The most controversial part of the president's plan called for a two-tier adjustment of status for illegal immigrants. Those illegal immigrants who could prove they had lived in the United States since Jan. 1, 1970, would be granted permanent resi-

dency status and be allowed to become U.S. citizens after five years.

Those illegal immigrants who lived in the United States since Jan. 1, 1977, would be allowed to remain for five years until a determination was made about their status.

Neither the Senate nor the House acted on the Carter proposals. It is not known now whether the proposals will be resubmitted to the new Congress, which convenes next month.

Other Investigations

The committee report contains little that has not already been known publicly for many years. Other congressional committees — principally a House Judiciary subcommittee — have delved into the muddled U.S. immigration situation.

However, the select committee report is likely to focus attention anew on the problem at a time of growing concern over the number of illegal aliens in the United States. And the report could put pressure on the White House and Congress to provide adequate funds for immigration programs. No one knows how many illegal aliens or visa abusers are now in the United States. Estimates have ranged from 2 million to 12 million.

Cosmos-1064 Launched

MOSCOW, Dec. 21 (UPI) — The Soviet Union yesterday launched Cosmos-1064, Tass reported today. It said the satellite is designed for the continuation of the exploration of outer space.

Deposited in Banks in Panama

U.S. Locates \$10 Million in Cult Funds

By John M. Crewdson

SAN FRANCISCO, Dec. 21 (NYT) — The Justice Department has located more than \$10 million deposited by the Peoples Temple in banks in Panama and has taken steps to freeze the money, a government source has reported. The funds, on deposit in several Panamanian branch offices of Swiss banks, are believed to represent the majority of the assets amassed by the temple's late founder, the Rev. James Jones.

The government source said he was uncertain just how the Justice Department had learned of the deposits, but added, "when we found out about it, we started diplomatic contact" with the Panamanian government on keeping the deposits intact.

The United States seeks to recover about \$3.5 million in federal funds spent in the last month for the removal of the bodies of hundreds of Mr. Jones' followers from the cult's settlement at Jonestown, Guyana.

Noting that the United States had taken "steps" to freeze the deposits, the government source said "that doesn't mean we can just run down there and get the money — there's probably going to be litigation in the Panamanian courts."

No Claims Allowed

But he said the United States had been assured that none of the temple members still alive could claim the assets until the legal question of ownership had been decided.

Correspondence found at Jonestown, in a suitcase containing several hundred thousand dollars in cash, bequeathed \$7 million to the Communist Party of the Soviet Union. That correspondence reportedly mentioned accounts in the name of the Peoples Temple or its members at branches in Panama of the Swiss Bank Corp. (Overseas) S.A., the Swiss Banking Corp. and the Union Bank of Switzerland.

The Justice Department has been searching for the temple's funds almost from the day Mr. Jones and more than 900 of his followers died, most of them apparently by suicide.

Other sources have said that the State Department had asked the Justice Department to attempt to locate and report on the cult's funds, which, according to some former temple officials, might total up to \$15 million.

The reason for the request, the sources said, was to determine whether sufficient funds would be available to compensate the United States for removing the bodies from Jonestown and transporting them to the Dover (Del.) Air Force Base.

Late last month, a federal grand jury here that is seeking evidence on several aspects of the temple's activities, including the possibility of a conspiracy to murder California Rep. Leo Ryan, who was killed at an airstrip near Jonestown, began issuing subpoenas for the records of banks in several countries, including Canada, where the cult was known to have kept money.

Some of those banks are known to have been in Switzerland, and The New York Times last week quoted a government official as saying some or all of the temple's accounts in Switzerland had been emptied.

A Justice Department spokesman said that a former temple official, Terri Buford, and her lawyer, Mark Lane, reportedly had traveled to Switzerland to remove some of the funds from a Zurich bank.

Mr. Lane denied, however, that he or Miss Buford, who has said she withdrew from the temple several months ago, had made such a trip or had withdrawn any money.

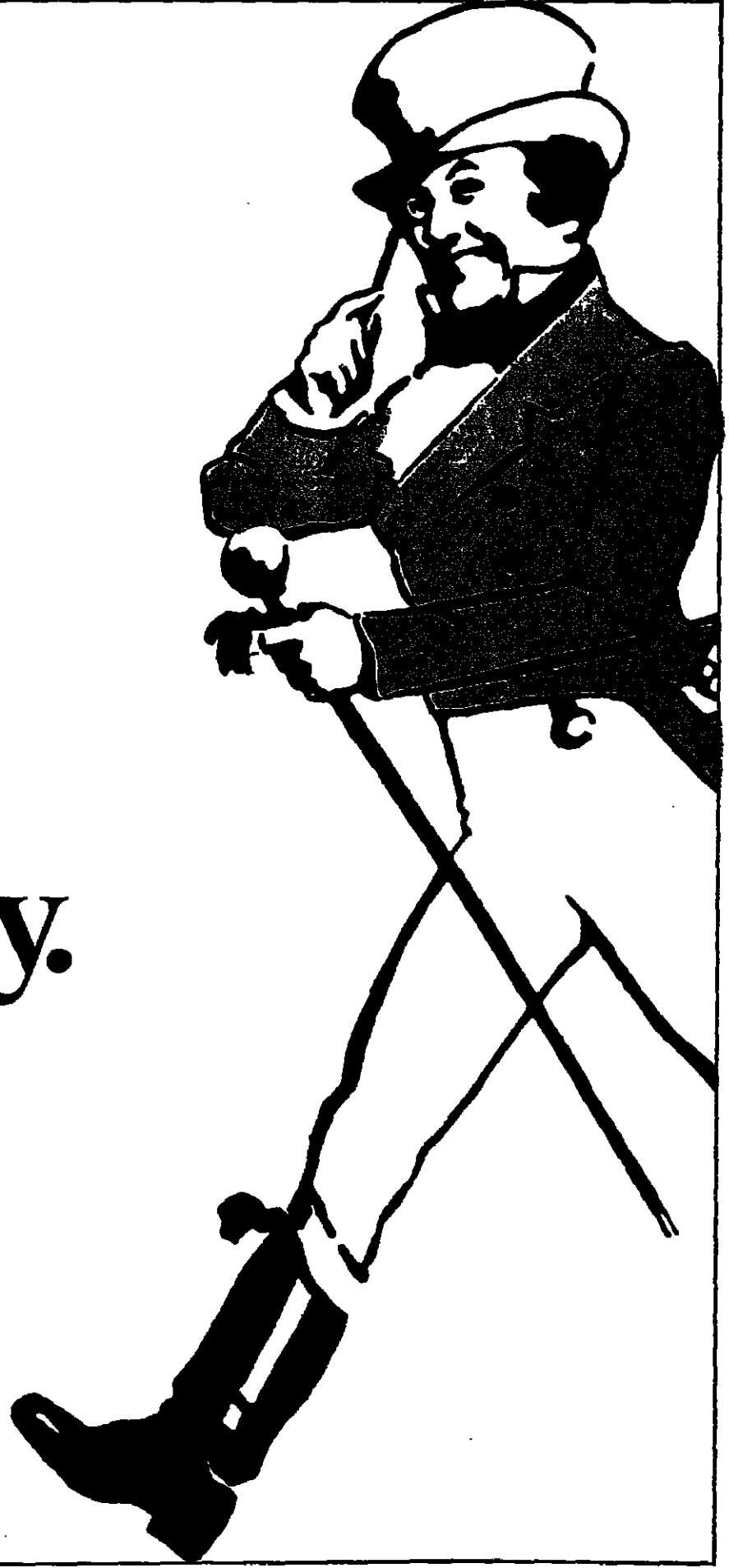
The lawyer said his client had told the U.S. attorney here on Dec. 6 that most of \$7.5 million in temple assets with which she was familiar had been transferred from a bank or banks in Switzerland to branch offices in Panama.

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Aid Sought by China, Developing Nations

U.S. Army Engineers Welcomed Abroad

By George C. Wilson

WASHINGTON, Dec. 21 (WP) — The U.S. Army Corps of Engineers has established a beachhead in China with President Carter's blessing and eventually may widen its role to include taming the Yangtze River.

Corps specialists are ending a tour of China during which they presented papers at a symposium in Peking on how to build dams, dig channels and make other improvements in freezing weather.

Li Gen, John Morris, Army chief of engineers, said in an interview that China and other developing nations are turning increasingly through the State Department to the Corps of Engineers for help in developing their waterways.

Agreeing with Marine Corps Commandant Louis Wilson that the developing nations will be in turmoil for the foreseeable future,

Gen. Morris said that developing river basins and making other visible improvements would strengthen progressive governments and relieve tension.

Discussing Projects

Officials in China, South Korea, the Philippines, Indonesia, Saudi Arabia, Oman, Qatar, Nigeria, Gabon and Brazil are among those discussing projects with the Corps of Engineers.

One reason that China and other formerly reluctant nations now are welcoming the Army engineers, Gen. Morris said, is that "they know we're not going to establish a permanent presence."

"They know we're there either to transfer to them physical things from airfields to dams to shipping centers, or to 'transfer' the expertise and knowledge" attained in more than 200 years of engineering in the United States, he said.

"Our idea is to work ourselves out of a job" in those foreign countries and to leave something positive behind, Gen. Morris said.

Although Gen. Morris stressed that the Corps' overseas activities will not diminish its role at home, other specialists said the Third World is spending money for dams and other river development at a time of declining demand for that kind of work in the United States.

'Great Potential'

"Look at a map of the underdeveloped world and you can see the great potential for river-basin development," said an Army engineer. He cited the Yangtze and the Niger River as two leading examples.

China's untamed Yangtze is sometimes 50 feet higher in summer than in winter and flows with enough force to double the nation's electricity supply, if the river is harnessed to turbines.

Corps water-power specialists already have visited China to discuss possibilities there. This week, two civilian employees of the Corps, Albert Wuori and Yin-Chao Yen of the cold-weather laboratory in Hanover, N.H., are at a seminar in Peking to present papers on construction techniques for use in freezing weather.

A team of Chinese civil engineers is ending a 54-day study of U.S. waterway projects, including 26 by the Corps of Engineers. The Chinese, according to Army engineers, are interested in developing their inland waterways for transportation and electric power.

Permanent Contribution

Gen. Morris said that if an agreement with Nigeria is signed, "We're going to take the Niger River and develop it for commerce and make it navigable, like we've done for the Mississippi. This would be a [permanent] contribution to Nigeria's transportation capability and economic base."

He said Third World countries with oil earnings to spend, like Saudi Arabia and Nigeria, seem determined to invest those earnings in lasting improvements, not flashy consumer goods.

"Almost every bit of this work that we're doing overseas is being paid for by the countries themselves," in contrast to the period just after World War II when the United States paid for most of the overseas construction, Gen. Morris said.

He said the environmental movement has spread to the Third World, partly because most of the foreign leaders inviting the Corps of Engineers into their countries have been educated in the United States.

"They're very sophisticated," he said of the foreign leaders, declaring that environmental concerns are being addressed as the Corps designs and builds in the Third World.

Black Preacher Is Whipped for Rights Speech

CULLMAN, Ala., Dec. 21 (UPI) — A black preacher was abducted on a highway near here, dragged into the woods and whipped last Friday after he publicly denounced the rape conviction of Tommy Lee Hines, a mentally retarded black man. The Ku Klux Klan said yesterday that Klansmen were responsible.

The FBI yesterday interviewed the preacher, Rev. Manuel Whitfield, 30, of Columbus, Ga., who had spoken for several hours from the steps of the Cullman County Courthouse. He refused to press charges, saying, "It isn't the Christian thing to do." He returned to Columbus but said he planned to come back to Alabama.

Bill McGlockin of Decatur, second in command of the Ku Klux Klan in Alabama, said: "He had no business in Cullman. Maybe he'll think twice and stay out of another man's town."

Hines, 26, was given a 30-year sentence after conviction for the rape of a white woman in Decatur. Mr. McGlockin said that the Klan took a "personal interest" in the Hines case because one of the alleged victims was the wife of a Klansman. Three national civil rights organizations are engaged in a legal battle over who represents Hines in an appeal of the conviction and in two pending rape cases.



Yeomen look on as security guards check the bag of a visitor to the Tower of London.

3 British Soldiers Die in Ulster Machine-Gun Attack

BELFAST, Dec. 21 (UPI) — Three British soldiers were killed today in a machine-gun attack on an infantry platoon in the small Northern Ireland border town of Crossmaglen.

Witnesses said that six troops were patrolling the main street of the town, stopping and checking cars, when a hijacked post-office van roared down the street, the back doors swung open and an unknown number of gunmen opened up with several rounds of rapid fire.

The Provisional wing of the IRA, operating in what is their main stronghold in Northern Ireland, was thought to be responsible for the attack.

Last Night the IRA Mounted a Bomb Blitz Against Six Hotels in the Province in Which Nine Persons Were Slightly Injured.

Meanwhile, London's 22,000 police officers were working 12-hour shifts in the offensive against IRA bombers, who shook the capital with two car bombs early Monday.

May Have Been Stolen From Treasury

U.S. Missing \$1 Million Worth of Gold

By A.O. Sulzberger Jr.

WASHINGTON, Dec. 21 (NYT) — More than \$1 million worth of gold is missing from the Treasury Department's Assay Office in New York City and may have been stolen, the department said yesterday.

A yearlong investigation, which is continuing, has uncovered "significant irregularities in accounting and management procedures" in the office that may result in "the full truth never being known," according to Robert Caswell, deputy secretary of the Treasury.

The approximately 5,200 troy ounces that cannot be accounted for would be worth about \$1.1 million at the current market price of more than \$200 an ounce.

The Assay Office is the Treasury's only gold-processing and refining plant. The gold was sold to the government by Americans before 1969, when the government stopped buying gold.

Treasury officials acknowledged that the amount of missing gold was a rough estimate and could be higher. They also said that, while it is believed that the gold was lost between 1973 and 1977, the loss could have happened before that.

Storage Center

The Assay Office, which also serves as a storage center, holds about 55 million troy ounces of gold, or almost one-quarter of the nation's supply, according to Joseph Laitin, the Treasury's assistant secretary for public affairs.

Mr. Laitin said that the gold was missing, not from the supply in the Treasury storage center, but from the processing operation. The office processes about 20,000 troy ounces a week.

The Treasury stressed that more than half of the missing gold might have been lost in the normal refining process.

"We don't have anything conclusive yet," said Mr. Laitin, "but what it seems to be, and this is my own evaluation, is they're using the same antiquated management and accounting techniques that they started out with in 1854," the year the Assay Office was started.

Sen. William Proxmire, D-Wis., who first brought allegations of improper procedures to the Treasury secretary, said what had happened was "pilfering by sticky-fingered Treasury employees." Sen. Proxmire, however, provided no concrete evidence for his charge.

Yesterday's disclosure was the second recorded instance in which the United States has lost track of some of its gold stockpile.

The first was at the Denver Mint in 1955, when that facility was still processing gold. An elderly employee was forced into retirement after it was discovered that for almost a year he had given away about 1,800 ounces of gold, then valued at roughly \$63,000.

"He gave it away, just like Santa Claus," said Mr. Laitin, who added that the man was never prosecuted and the gold never recovered.

Sen. Proxmire said he became aware of troubles at the Assay Office when he received a letter signed by a former employee asserting that there were irregularities and naming names. The investigation was halted shortly after it started when the employee later sent an affidavit saying the letter was a forgery and withdrawing any complaint.

However, the inquiry was begun again in July, and the Secret Service was brought in to aid the investigation. No charges have been filed so far.

Security among the office's employees has been tightened, according to Mr. Laitin. "Steps have been taken this week to insure that there will be no additional losses," he said.

Weight and Value of U.S. Gold Are Determined by Assay Office

NEW YORK, Dec. 21 (NYT) — The Treasury's Assay Office here, a landmark in the lower Wall Street area since it was built in 1930, has the job of weighing and evaluating the gold that periodically moves in and out of government possession.

For example, the United States might settle a trade account with a foreign nation by transferring some gold to that country. The gold bars would be assayed and stamped by the Assay Office and then shipped by plane or boat abroad. Or they could be sent to a few blocks north to the Federal Reserve Bank of New York, which acts as a depository for a large part of the world's gold, storing it in its basement in the form of gold bars.

If a foreign nation owes a debt to the United States to be settled in gold, the mint might be delivered to the Assay Office for evaluation before being sent to Fort Knox, Ky., where the government keeps a large amount of gold, or it might be kept at the Assay Office.

For a fee, the Assay Office also does assaying for private organizations to determine the weight and fineness of gold. It also handles melting and refining for the government.

Its job also involves handling mutilated coins. For example, a spokesman said, auto wreckers send in truckloads of coins found in old cars to be valued by the Assay Office. The wreckers are then reimbursed.

The Assay Office in New York employs about 300 persons. Temptation exists wherever gold is handled. Some gold refiners require that employees handling the metal take showers every night before going home, because there have been instances of stealing gold in the form of dust in the hair or clothing.

Italian Terrorists Mount Attacks In 4 Cities After 13 Are Arrested

ROME, Dec. 21 (UPI) — Terrorists struck in four Italian cities today after police began rounding up suspects believed linked to the Red Brigades gang that kidnapped and killed former Premier Aldo Moro.

The bombings and arson attacks heavily damaged a nightclub and destroyed or damaged 25 automobiles in Rome, damaged a police station in Milan, the home of a businessman near Naples and an apartment building under construction at Bergamo.

Two persons were slightly injured in one of the Rome bombings. Urban guerrillas have staged at-

Last night the IRA mounted a bomb blitz against six hotels in the province in which nine persons were slightly injured.

Meanwhile, London's 22,000 police officers were working 12-hour shifts in the offensive against IRA bombers, who shook the capital with two car bombs early Monday.

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Obituaries

Willard Mullin, Acclaimed As a Sports Cartoonist

CORPUS CHRISTI, Texas, Dec. 21 (AP) — Willard Mullin, 76, whose cartoons parodied three generations of sports giants, died here yesterday.

Mr. Mullin, a Florida resident, had been staying with friends here since June. Doctors told him last February that he had terminal lung cancer.

His career spanned 44 years, including more than three decades on the New York World-Telegram, now defunct.

Four years after his retirement in 1967, the National Cartoonists Society honored Mr. Mullin as "Sports Cartoonist of the Century."

"There was never another who combined such news sense and wit and perception with such a comic pen," Red Smith, the sports columnist of The New York Times, wrote in a tribute to Mr. Mullin last July.

Mr. Mullin was a regular contributor to the Saturday Evening Post. He penned front-page cartoons for the Sporting News for years, and he created the cover for a Time magazine story on the New York Mets' first pennant drive in 1969.

"The Brooklyn Bum" was his most famous cartoon, but another coined the phrase "The Miracle of Coogan's Bluff" to describe the New York Giants' come-from-behind rally to defeat the Brooklyn Dodgers for the 1951 National League pennant.

Tony Moreno

GARDEN GROVE, Calif., Dec. 21 (UPI) — Tony Moreno, 72, a professional light-heavyweight boxer in the Midwest and a movie stuntman before losing the use of his legs in World War II, died Monday at an Anaheim, Calif., hospital.

Carl Soyland

NEW YORK, Dec. 21 (AP) — Carl Soyland, 84, former editor of the Norwegian-language newspaper Nordisk Tidende, has died at his home in Brooklyn.

New Whaling Restrictions Are Set at Tokyo Meeting

TOKYO, Dec. 21 (AP) — Whaling was made illegal in a vast area to the south and west of Australia, and next year's quota of sperm whales in the North Pacific was cut to 59 percent of this year's catch at a special session of the International Whaling Commission yesterday.

The Soviet and Japanese delegations formally agreed not to take whales from the Australian area although theoretically the fleets of the two remaining major whaling nations could have taken over small Australian quota. Australia has decided to do away with its only land-based whaling operation.

The 17 members of the commission, however, did not go so far as to adopt a U.S.-backed move to limit the North Pacific sperm whale catch to males only. Conservationists have been asking for the protection of female sperm whales in order to allow for a building-up of the depleted sperm whale population.

The special session of the IWC had to be called because no agreement was reached on the proposal of a zero quota for females at the regular conference in London in June.

Last-Minute Compromise

The special session arrived at a last-minute compromise. The total quota was cut to 3,800 from this year's 6,444 and a formula was adopted allowing whalers to catch 437 females, a figure that amounts to 11.5 percent of the total.

The sperm whale, a toothed whale highly prized for its oil, which is used as a high-grade lubricant. The males grow in length to more than 40 feet but the females generally are less than 36 feet long. Japan exported about 3,600 tons of sperm whale oil last year. Unlike baleen whales, sperm whales are not used for food.

Conservationists have been asking for international protection of the sperm whale. Lew Regenstein, representative of the Washington-based Fund for Animals said after the meeting that the 3,800-head quota is not bad considering that the IWC has consistently given whaling nations higher quotas than the previous year's catches.

A Japanese delegate said: "We are not satisfied with the quota cuts." The Japanese explained that the decline in the quota will be bad news for Japanese fishermen still engaged in whaling.

France Lifts Ban On Cohn-Bendit

PARIS, Dec. 21 (AP) — The government announced today that it was renouncing Daniel Cohn-Bendit, a leader of the 1968 French student uprising, to return to France after it had barred his entry for 10 years.

Mr. Cohn-Bendit, 33, said in a telephone interview that he was pleased at the Interior Ministry's decision. But he added that he did not know when he would return.

Mr. Cohn-Bendit, who won the sobriquet Danny the Red during the leftist-inspired rioting of 1968, is French-born but a West German citizen. He has lived in Frankfurt since French authorities deported him in the wake of the riots.

Mr. Soyland retired in 1963 as editor in chief of Nordisk Tidende, which is published in Brooklyn and distributed in the United States, Canada, Norway and the Far East. He remained at the newspaper as a consultant until his death.

In 1959, he was awarded Norway's Commander of St. Olav medal for his writings, which included two books, "Along the Highway and Byway" and "Written in the Sand."

Aleksandr A. Arkhangelsky

MOSCOW, Dec. 21 (AP) — Aleksandr A. Arkhangelsky, 85, a pioneer Soviet aircraft designer, died Monday, the newspaper Socialist Industry reported today.

After a visit to the United States in the early 1930s, Mr. Arkhangelsky designed the Soviet Union's first twin-engine high-speed bomber in 1934. After World War II, he helped design the TU-104 jet passenger plane.

Synagogue Burns In Paris Suburb

PARIS, Dec. 21 (AP) — A synagogue in the suburb of Drancy was destroyed by a fire today, and an incendiary device placed in front of a Catholic church in Paris was found before it could explode.

Police said that the fire at the synagogue probably was the work of arsonists. No one claimed responsibility for the attack. Drancy was the location of a German transit camp for Jews during World War II. It was there that many French Jews were gathered for transportation to German concentration camps.

In the other incident, police said that two containers of camping gas placed on a plastic container of gasoline were put in front of the door of the church of St. Nicholas du Chardonnet and that the gasoline was set afire. However, a watchman discovered the device and put out the fire before the containers of gas could explode.

Soweto Leader Assails Detention Without Trial

JOHANNESBURG, Dec. 2 (AP) — Prominent Soweto figure Salpy Motlana has been freed after eight weeks of detention by security police. "I have become very angry now," she told the newspaper in Post yesterday.

Mrs. Motlana, vice-president of the South African Council of Churches and wife of Dr. Ntshu Motlana, the unofficial leader of the segregated suburban city of Soweto, was released on Tuesday from a police station here.

Her mother of four, she had been detained on Oct. 25 and held in solitary confinement with frequent interrogations, the Post reported.

"How many times have I got to be detained without being charged or tried?" she said. "I am bitter about the various interrogations — in fact I am most bitter about everything concerning detention without trial."

Mrs. Motlana was detained with her husband in a mass crackdown on black dissent in October, 1977, and again for a week last February. She said that her most vivid recollection of the latest detention was interrogation on the night of Nov. 4, about a dinner party at the Swiss Embassy.

Strong Quake Hits Chile

SANTIAGO, Dec. 21 (UPI) — A strong earthquake jolted southern Chile late yesterday, but initial police reports indicated that there were no casualties and that damage was light. Police said the quake snapped telephone and electric lines in Concepcion, but the trial, the situation was "normalizing."

SOCIETE DES BAINS DE MER

MONTE-CARLO CALENDAR FOR CHRISTMAS AND NEW YEAR'S EVE

SUNDAY, DECEMBER 24

HOTEL DE PARIS

"CHRISTMAS EVE CELEBRATION"

MONDAY, DECEMBER 25

"THE CABARET" - OPENING

SUNDAY, DECEMBER 31

SPORTING CLUB

HOTEL DE PARIS

CABARET

THE MAONA

"NEW YEAR'S EVE CELEBRATION"

WEDNESDAY, JANUARY 3

THE CABARET

"DINER DES ROIS"

SATURDAY, JANUARY 6

HOTEL DE PARIS

"RUSSIAN CHRISTMAS PARTY"

NOEL RUSSE

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Theater in Paris

A Lavish 'Heartbreak House'

By Thomas Quinn Curtiss

PARIS, Dec. 21 (IHT) — The principal personage of the spacious production of "Heartbreak House" — "La Maison des Coeurs brisés" at the Theatre de la Ville — George Bernard Shaw. More than any of the players, he is its guiding light. Not only does his broad manipulation of his marionettes bestow upon them the illusion of reality, but, serving as ventriloquist and unseen master of ceremonies, he leads the discussions and settles the arguments insofar as they are settled.

Where the myopic propagandist-playwright sees all from a single, red stand, the artist-playwright with sweeping glance includes various outlooks. Shaw, an author of broad interests and versatility, wild and often did present a contrasting viewpoints and wit-contrast them.

He called "Heartbreak House" a fantasia in the Russian manner on "The Idiot"; it was Shaw's favorite play and in the judgment of his finest. Written in early 1914, it was completed before the end of World War I and is eerily prophetic, picturing the coming twilight of England's greatness and predicting the coming of a new world. Shaw maintained that it was untouched during the war, and it was given its premiere in 1920. Later, when seen in London, it was quite rudely dismissed as "Heartbreak House."

Nimble Life

Yet 60 years later it retains nimble life and says much that is so pertinent that it might be seen for a sinister prologue to World War III. Its lovely mood of being glory is Chekhovian, but, as Shaw, opinions battle in opinions, and the dialogue is a bit of wit and wisdom illuminating here and there with sudden flashes of lyric beauty. The present "Heartbreak House" has been accorded a Cecil de Mille production. The ship-like hall, Capt. Shotover's Sussex residence is a towering edifice constructed by Romanian designers (du and Miruna Borzescu, and an impressive decor as the sea has witnessed; the matching set setting, with its rear view of galleon-like house, is equally effective. The effects are, in the language

of the movies, simply colossal. The zeppelin raid of the finale is of cinematic proportions, and the entire production appears to have been prepared for the wide screen.

The acting is passable, but not always accurate. Jean Mercure is an able player and a loyal Shavian, as his staging of "The Doctor's Dilemma" has attested. Of slight stature, he bears no resemblance to the big, bellowing old salt that one imagines the retired sea captain to be. Still, he delivers his fiery lines with resounding crackle. In certain German versions, Shotover was made up to resemble the bewhiskered Shaw, just as it was policy for the protagonist of Tolstoy's "The Light That Shines in Darkness" to doll up as Tolstoy. Mercure sagaciously eschews the disguise, probably regarding it as superfluous, since Shaw is ever present.

Claude Gensac's Lady Utterword, Nadia Barentin's Mrs. Flusshabye (she has become Madame Dodo in translation), Magali Renard's Elsie and Jean-Pierre Aumont's vain male chauvinist are best in support. The spectacular staging has made "Heartbreak House" into an exciting show, but the play is still the thing.

In the French-speaking theater, Shaw was long neglected — an oversight for which he was largely responsible. He entrusted the translations of his plays to two Belgian socialist friends, the Hamons. They may have been good friends and good socialists, but they knew nothing of the theater and translation. One of their notorious gaffes was their translation of "You Never Can Tell" as "On Ne Peut Jamais Dire" — a title suggesting a speech defect.

You are guaranteed an entertaining evening at the Theatre de la Bruyere. The play, "Les Folies du Samedi Soir," is a humorous account of two mature bachelor girls on the hunt for male companionship. It has been adapted by Marcel Mithois, author of the record-breaking "Croque-Monsieur," from an American script by Gene Stone. Of slender substance, though constantly funny and filled with surprises, "Folies" benefits enormously from its attractive performances. Its two actresses, Odette Laure (who has a singular comic approach) and Martine Sarcey, have both won the Dussane Prize as comedienne — Miss Sar-

cey this year and Miss Laure last. Jacques Rosny and Pierre Maguelon are the wanted men, and this quartet of interpreters are in perfect harmony throughout. The combination of adroit adaptation and exuberant playing results in first-rate theater.

"Pas La Bouche Pleine" (nightly at 10 at the cafe-theater Le Coupe-Chou) is also from a U.S. source, Philippe March having translated from a sketch by Roger Hirsion. This is a Grand Guignolish playlet in which a defense lawyer interviews in her prison cell a woman who has slain her husband for, at first, unknown reasons.

As he tries to sum up the evidence in her favor he becomes increasingly the captive of his client, who weaves a sinister web about him. The piece is an engrossing thriller, and its intensity is greatly strengthened by the duo of its cast — the alluring Gaby Sylvia is her prey. Andreas Voutsinas' direction extracts the maximum effect from this singular shocker.



Theatre de la Ville's staging of "Heartbreak House."

Opera in Italy

Complete 'Norma' in Florence Called a Failure

By William Weaver

FLORENCE, Dec. 21 (IHT) — The winter opera season at the Teatro Comunale here opened with a gala performance of Bellini's "Norma." This was a new production and in some respects a new opera, because conductor Riccardo Muti used the recently made revision of the score, prepared by Robbins Landon and G. von Noe from the autograph.

True to his familiar scrupulousness, Muti also conducted the score without cuts. Many people in the capacity audience heard some of the music (especially the second verses of most arias) for the first time. The stage orchestra was also given more employment than usual, often to striking effect.

From the overture, which Muti took at a hectic pace, it was obvious that the conductor meant to Verdi-ize the opera. Sometimes his excitement worked and heightened the drama, but at other moments — the great Norma-Adalgisa duet, for example — excess speed led to a

sacrifice of clarity. The final opening-night impression Tuesday was of disjointed patchiness.

Much of the fault, however, lay with the protagonist, Renata Scotti's Norma, who was wildly miscast as Pollione. In the crucial three-way confrontation in Norma's house, he actually sat down on Norma's smart Empire sofa at the moment of supreme emotion.

The chorus, badly placed off-stage, sang well, but the sound — artificially relayed — was poor. The

Luca Ronconi directed, evidently paying more attention to overall stage pictures than to the acting of the principals. Scotti and Rinaldi moved aimlessly much of the time. Ermanno Mauro was wildly miscast as Pollione. In the crucial three-way confrontation in Norma's house, he actually sat down on Norma's smart Empire sofa at the moment of supreme emotion.

The chorus, badly placed off-stage, sang well, but the sound — artificially relayed — was poor. The

Sharps and Flats

PARIS — The Stars of Faith, Jerome Van Jones, Lavelle, Sugar Blue and Johnny and Edna are all at the Theatre de Ranelagh Dec. 23 at 5 p.m. The concert is being presented by Maurice Cullaz, a producer for the radio station France Musique. The Cohesive Ensemble is at the T.E.P. Dec. 26-29 at 8 p.m. Appearing nightly are: Kenny Clarke, Lou Bennett, and Jimmy

sets, designed by Ronconi with Raoul Farolfi, were more annoying than helpful. They had no magic. The mysterious forest of the druids looked like a cement basement by Pier Luigi Nervi. The moonlight came through a pair of transoms. Norma, whose house was part cement and part neo-classical elegance (David frescoes), was dressed to look like Queen Alexandra. So the visual incoherence matched that of the music. The evening was a failure, all the sadder because of the immense amount of talent it employed — or misemployed.

Gourley at the Club St. Germain: Chet Baker and Luther Allison at the Chapelle des Lombards; Hal Singer at the Caveau de la Huchette; Steve Lacy at the Campagne Premiere; Aaron Bridgers at the Club House; Joe Turner at the Calavados and Joe Dassin and Romaine Boulet at the Olympia. Marilyn Johnson, one of the leads of the hit musical "Harlem-

The London Stage

Shaw's Lovable 'Millionairess'

By John Walker

LONDON, Dec. 21 (IHT) — George Bernard Shaw's "The Millionairess" is his most frivolous play, a late jeu d'esprit that shows the sort of woman he most admired: strong-willed, determined to have her own way, impervious to reason, insistent upon managing others and totally exasperating in her sheer bloody-mindedness.

What makes all these qualities instantly lovable, or at worst smilingly tolerable to others, is that the woman is rich enough to buy everything and everybody.

Her saving grace for a theater audience is that she has Shavian common sense, which, in the offhand farcical complications of the plot, passes for wit.

At the Haymarket, Epifania Fitzassenden — to give this terrible woman a couple of her dreadful names — is acted with immense skill by Penelope Keith, the English stage's finest purveyor of steely gentility; despite an imperiousness on the point of boiling over, she can convey a sense of vulnerability. The amount of meaning she can

convey in one little line — "You are having an adventure" — is amazing. It becomes full of excitement and danger when she purrs it to a doctor she has chosen as her next husband just after having thrown a failed suitor down a flight of stairs.

Such sudden outbursts of action pass for a plot: In his old-age doubt, Shaw resorted to women knocking down men while he got on with the main business of debating with himself and the audience.

Here, though, he was content to set Epifania rampaging through social situations, from meetings with her husband's mistress to seeking employment for the sake of amusement, although there are characteristic Shavian asides on the law, medicine and the reason the poor stay that way.

Miss Keith, as a hostess you would most like to avoid, just about justifies this revival. And there is some excellent support from Nigel Hawthorne as a weary solicitor and Charles Kay as her next victim, content to trust in Allah's master plan.

At the Vaudeville Theatre, Patrick Garland's "Under the Greenwood Tree" is set in that lost, rural world so effectively recreated in the national's recent "Lark Rise," where a day's labors were made more bearable by music and song.

Hardy's villagers come not only from another age but another world, one of fixed social stratification where people knew their places in life. Its action turns on a new vicar's determination to introduce an organ into the church, thus displacing the gallery minstrels who used to accompany the hymn-singing.

The evening is full of music and song and has a certain slow charm, although it is never possible to take

the events seriously. The dialogue occasionally sounds like a rustic parody, a man wooing a girl with the line "Would you like to know how to catch bullfinches down by the stream?" — which must be the rural equivalent of inviting her up to see his etchings.

The actors are better at singing and fiddling than at conveying character. There is more than a touch of musical comedy or operetta in some of the performances. Susan Crowley as the village beauty is rather modern in her flirtatiousness, but nonetheless delightful.

At the Toodle, a new Christmas play by Paul Mills, "Hered," is a failure, apart from some lusty music — modern but recreating a rough medieval fervor — by Harrison Birwistle and Dominic Muldowney.

There are some undramatic meditations on a few of the main events of the Christmas story, written in a language heavy with abstraction that a talented cast can do nothing to bring to life. On the printed page, the words may have some validity, but on the stage they are a dull-sounding recitation curiously removed from the events they describe.

At the Young Vic, Michael Bogdanov has adapted Longfellow's "Hiawatha" for the stage, using simple but imaginative techniques to bring the poem to life. The skill shown by director and cast is admirable and should hold the attention of the 6-to-12-year-olds at which it is aimed.

But their attempts at authenticity in depicting the American Indians only point up the failures in Longfellow's thumping verse, particularly his inability to maintain a narrative drive.

LONDON — Sham 69 will be at the Rainbow Theatre Dec. 27 at 7 p.m. Rod Stewart will be at the Olympia Dec. 28-30.

ON TOUR — The Delta Rhythm Boys are in Helsinki at the Kalastajatorpa through Jan. 6, but do a two-night stand at the Amsterdam Hilton Dec. 25-26.

—FRANK VAN BRAKLE

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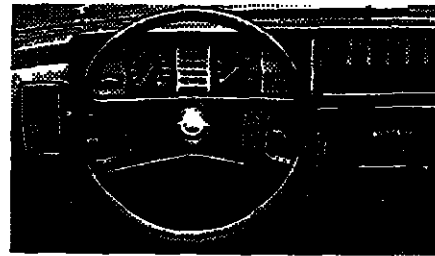
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Chinese-U.S. Agreement

The Chinese, it is now clear, made major concessions in moving to normalize relations with Washington. Even while insisting that the Taiwan question "is entirely China's internal affair," they allowed the United States to assert — without formal challenges — "an interest" in its peaceful resolution, and to continue selling arms to Taiwan.

Chairman Hua Kuo-feng said "we can absolutely not agree" to the sales. Still, China is not explicitly disagreeing — it is, rather, tolerating them. Since these are conditions that Peking rejected in the past, and since they involve a certain affront to Chinese nationalism and could yet become an issue in Chinese politics, it is important to try to understand why the People's Republic made its move.

The obvious answer is fear of the Soviet Union. Feeling the huge and still-growing Soviet deployment to its north, seeing Moscow strengthening its hand in Vietnam and Afghanistan, finding no acceptable way to improve its own relations with the Kremlin, the Chinese leaders evidently saw a critical need to tighten ties with the United States and its allies. The widening of its six-year-old opening to Washington was preceded by an outreach to East Europe, Iran and, most notably, Japan.

Does Peking mean to edge toward some sort of military alliance with Washington? The Carter administration dismisses the notion, contending that its purpose is not to squeeze or "encircle" Moscow but to balance off the substantial but different U.S. interests in Moscow and Peking. The Russians are jittery, but as long as Chinese-U.S. cooperation is confined to the political sphere, the Kremlin has no legitimate complaint. SALT, in other words, is still on.

The other big reason behind Peking's move apparently was to consummate a rolling decision on modernization. China's debate on how to develop a huge poor country will probably never end. The way of the late Chairman Mao Tse-tung was highly ideological. It involved self-reliance, home-supplied (and therefore limited) capital and technology, agricultural self-sufficiency, tight internal discipline, "moral" incentives (low pay), social leveling.

The way of Chairman Hua and, even more, of Deputy Premier Teng Hsiao-ping, who is regarded as the real power in Peking and the architect of the U.S. connection, is quite different. It is highly pragmatic and involves a new emphasis on foreign capital, technology, goods and markets, a greater interest in industrial growth, a loosening of discipline, higher pay, the merit standard, an acceptance of some class gradations.

Obviously, China's leaders count on faster progress. Their own past experience demonstrates, however, that economic policy is a continuing arena of political contention. They have taken the very "capitalist road" for which they have long lambasted Moscow. As the recent on-and-off explosion of economic and political demands in posters at Peking's "democracy wall" indicates, there are risks in unleashing popular expectations. And Mr. Teng is 74.

All this is not to say the United States should not have responded as it has to Peking's bid. Mr. Teng made Mr. Carter an offer that the president, who had invited it, could not refuse. It is only to suggest that the road is long and that the turn just taken will hardly be the last. Not heading pursuit but prudent exploration of new opportunities is indicated.

THE WASHINGTON POST.



Magna Carta for 21st Century

By Jonathan Power

LONDON — The seas and oceans that surround us, some two-thirds of our planet, are largely lawless. Three hundred and fifty years ago when Hugo Grotius formulated the doctrine of the freedom of the seas, laissez-faire seemed a magnificent idea. "Let no man possess what belongs to every man." But this is the age of giant tankers, oil-spills that destroy whole coasts, traffic jams in the English Channel and the Strait of Malacca, declining fish catches and the beginnings of a gold rush for minerals under the sea that could be the biggest smash and grab since the European powers at the Berlin conference in 1865 carved up black Africa. Laissez-faire no longer quite suits the times.

It is these problems of the post-Grotius era that occupy the Law of the Sea Conference now in its sixth year. Never before have the nations of the world attempted to define the rules before crossing the frontier. It is an historical milestone in the annals of nation-state competition and commercial exploration. Moreover, if it succeeds in arranging for mankind a fair distribution of its "common heritage" of the seas, it will establish precedents that could be applied to a multitude of man's endeavors. Not just earthbound ones, like the slicing up of oil-rich Antarctica or weather modifications, but the frontiers of the next generation — the moon, the planets and outer space. The law of the sea could be in its own way a Magna Carta for the 21st century.

Tragically, the Law of the Sea Conference is now foundering on its own rocks. Voices in the West, particularly in the United States, are calling for out. Better to organize, they say, a mini-treaty which is shaped to the immediate needs of the industrial powers and their mining companies than to spend another six years arguing points of irresolvable detail with the Third World and the Eastern bloc.

This school of thought ignores just how much has been achieved. Ninety percent of the agenda of the Law of the Sea Conference has been completed. A 12-mile territorial sea has been agreed upon, giving countries full political and economic rights in their immediate offshore area. The conference has also agreed to rights for transit passage through the 135 international straits that are overlapped by the 12-mile territorial sea. Likewise, there has been agreement on environmental protection, marine research and the settlement of disputes.

The cut-and-run school also ignores the danger of throwing in the towel on an argument. One important fight has already been lost that way — the 200-mile economic zone. In the early pre-conference negotia-

tions in 1970, the United States proposed a treaty incorporating an exclusive 400-mile zone. The Third World, distrusting U.S. motives, rejected it. It was a shortsighted move, for in the last three years nearly every coastal state has instituted a 200-mile economic zone giving itself full rights over its fishing and mineral resources. This is the Third World's loss. By and large it is the richer countries who have the longer coast lines. Six of the 10 top-gainers were developed countries.

But, if the conference itself now breaks down, both sides could lose in the ensuing scramble. The 200-mile economic limits would become territorial limits. This would produce for mankind more of a fortress nation-state mentality than already exists. It would increase the disparities between rich and poor nations at a time when the world in its wisdom is determined to reduce them. It would also make more difficult a final solution to the question of the deep seabed, the great reaches of ocean beyond the 200-mile limit with its highly exploitable nodules of manganese, cobalt, nickel and copper. The deep seabed would become an arena of conflict where territorial aggrandizement and border disputes become the order of the day. For even if the Third World countries don't have the power to throw a spanner in the works today, they will not always be denied the technology to mine the sea themselves and when they get it they will want to roll back what the West has claimed. It will be back to "freedom of the seas" with a vengeance.

The sensible course is to find a compromise. After all, both the West on one side and the Third World and Eastern bloc on the other now agree that exploiting the ocean floor should be governed by some form of dual authority. Part of the ocean would be mined by an international body called the "Enterprise" that would operate on behalf of the less technologically developed nations contracting mining operations to private or part state companies as it sees fit. Part would be mined by Western-owned commercial mining companies in the normal way. It is the relationship between the two that has caused the setbacks in the talks. Who would have the most power, who is answerable to whom and how would the profit be distributed? Understandably, the sides are some way apart. Yet their long-term interests should push them together. Both sides need the rule of law offered by a conference agreement.

The West, because it needs freedom of passage, environmental controls, freedom for scientific ex-

ploration and a set of stable rules to contribute to the removal of the causes of friction between the nations. The rest of the world's vested interest in an agreement is much the same. But added to it is the knowledge that unilateral action by the West would rob them of the chance of a major share of the world's resource without costly military action at a future date. Moreover, if the Third World and Eastern bloc states compromise now they can harness the skills of the Western mining companies to the "Enterprise" with the prospect of significant earnings for themselves.

It may take another two years to move the Law of the Sea Conference to the point of decision but given the stakes, no time is too long.

BOSTON — Angry words are not always useless in human relations. By releasing harbored resentments and letting others know of real feelings and fears, they may clear the air. Anger has its reasons.

The same may be true in international relations, at least in the intensely human, emotion-laden relations between the United States and Israel. In the last week Israel and some of its supporters have directed a crescendo of denunciations at the U.S. government. I think that anger may have its uses, if it is understood.

As a reaction to the actual Egyptian peace proposals rejected by Israel, the fury is disproportionate. Prominent U.S. Jewish leaders were briefed the other day on details of the proposals. Afterwards Maxwell Greenberg, president of the Anti-Defamation League, gave a calmer appraisal.

"Not Shocking" "I wouldn't characterize them as shocking or unreasonable," he said of the Egyptian ideas. "But I also would not say that they were terribly generous or that it could be expected that Israel could accept them immediately."

By whatever the terms, Israel is angry at the way the United States presented them. U.S. officials conveyed the ideas to Israel with a public blessing, and President Carter called the Egyptians "very generous." The Knesset had these actions in mind when it called the U.S. attitude "one-sided" and "unjust."

The Americans who have been involved in these prickly negotiations, right up to the president, no doubt resent the denunciations. They know that they actually moved President Sadat back from tougher proposals. But they ought to listen to the angry words, and understand that there is a point in them.

When U.S. leaders bless the Egyptian side in a dispute, Israelis of nearly all political views are going to worry — no matter what the merit of a particular issue. For such tactics suggest to them that the United States might in future try to impose its judgment on an issue of life or death. And right or wrong, the Israelis want to make those judgments themselves.

Sensitive Feelings Feelings are the more sensitive because Israel is so vulnerable. For its arms and diplomatic support in the world it relies overwhelmingly on the United States. Israel knows that and resents it. Paradoxical as it may sound, all that puts a great ob-

U.S.-South Korea: Crumbling Alliance?

By Rowland Evans and Robert Novak

SEOUL — New misunderstandings adding to deterioration of the U.S.-South Korean alliance, less flamboyant but profoundly more serious than the gaudy excesses of Koreagate, were unwittingly deepened by Secretary of Defense Harold Brown's visit here last month.

Neither Brown nor President Park Chung-hee said one word about President Carter's plan to remove all U.S. combat troops from South Korea by 1982. That led many wishful-thinking South Koreans, including some at high levels, to the false conclusion that Carter had changed the deadline. The silence also led to an equally incorrect assumption by U.S. officials that Park is now content with the troop withdrawal.

Nothing could be less true. The alliance, sealed in blood a generation ago, has survived Koreagate and human-rights crises only to founder on its essential keystone of security. South Korean policy-makers question Washington's commitment to their country's defense and are gloomy about long-term U.S. willingness to counter growing Soviet power in the Western Pacific.

Temptation? As reported earlier from here, South Korea's military high command believes the 2d Infantry Division's departure over the next three years may so weaken credibility of the U.S. commitment that Marshal Kim Il Sung's Communist legions will be tempted to invade (a fear widely shared by the U.S. military). This South Korean distress derives not only from the troop withdrawal decision but from the way the decision was made.

South Korean officials still reiterate the story of the newly-elected Jimmy Carter going on television in March, 1977, to announce the troop pullout without consulting Seoul. Now, can you possibly imagine him treating the West Germans that way? A senior general asked us.

Since U.S. officials are hard put in private conversation to advance any valid reasons for moving out the 2d Division, South Korean leaders conclude Carter acted strictly for domestic political considerations. Because they cannot imagine that ultimately he would endanger northeast Asia's security so frivolously, these South Koreans have come to believe — with no basis in fact — that delays in troop withdrawals will continue well beyond 1982.

Blue House Belief that such a delay has already been decided is rampant from the coffee houses of Seoul to the upper reaches of the Ministry of National Defense. But it does not extend to the Blue House, the presidential palace. President Park

is well aware that Secretary Brown, while pouring out reassurances here about the U.S. commitment, said nothing about the 1982 deadline. That Park himself did not bring up the matter was misinterpreted by U.S. officials as signifying he finally is comfortable with it. Rather, he was merely following his own command secretly distributed to South Korean generals: Do not beg the Americans to stay; that would signal weakness to Kim Il Sung in the north, with possibly fatal consequences.

This reticence conforms to a new arm's-length climate between Seoul and Washington, which apart from dangers to security, has some healthy aspects. Fitting the change is the new U.S. ambassador, William Gleysteen, a cool, somewhat academic, professional foreign service officer whose ties to the Blue House are apt to be less intimate than those of his predecessors.

Gleysteen has made a highly favorable impression on South Korean officials, who credit him for taking a more mature U.S. attitude on human rights. While encouraging humane treatment of dissidents, the new ambassador is regarded here as unenthusiastic about tagging Park to install Western-style parliamentary democracy. South Korea's tiny but increasingly active dissident movement can expect little help from the U.S. Embassy.

Afraid of Fraser The Carter administration has made clear that South Korea is too important to be subjected to a raid by Francisco Fraser, assistant secretary of state for human rights. His absence is second among favorable developments in U.S.-South Korean relations only to the defeat for the Senate of Rep. Donald Fraser, D-Minn., the human rights scourge of the Park regime. The catchword here is that Fraser's defeat was equivalent to sending one infantry division to South Korea.

But it wasn't really, of course. Increased U.S. maturity about human rights cannot erase worries in the Blue House about declining U.S. power, particularly in the naval balance against the Soviet Union. Furthermore, South Koreans ask themselves this question: If Congress considered cutting vital military ties with South Korea because of Koreagate, what constancy can be expected from Washington?

Such diminished faith leads to the unspoken and unseizable: the nuclear option. Although South Korea has abandoned development of nuclear weapons at U.S. urging, it has the technology to resume that deadly course if need be. It would be supremely ironic if Mr. Carter should sabotage his own crusade against nuclear proliferation by insisting on removing 17,000 combat soldiers, thereby undermining Seoul's confidence in the reliability of the U.S. nuclear umbrella.

Intelligence Customers Beware

In a handwritten note that did not long remain private, President Carter complained to some of his senior advisers last month that he was disappointed by the quality of political intelligence abroad. He seemed especially disturbed that our snoops and analysts had not predicted, or even allowed for, the possibility of the turmoil in Iran. It is widely reported that Carter's displeasure was aimed mostly at Adm. Stansfield Turner, the director of Central Intelligence.

The president's frustration is understandable. Carter rightly noted that advances in electronic and satellite information-gathering may have detracted from the work of agents in the field. But before the chorus of condemnation of the CIA swells, and before Iran becomes the pretext for reverting to the lax controls for which there is so much nostalgia at the agency, there are several points worth considering.

First, successful coups or uprisings tend to be the most difficult to predict. Second, the gathering of political intelligence is as much, or more, the job of ambassadors and the aptly named political officers of our embassies as it is of the CIA. The distressing fact that the CIA has often done a better job than our diplomats should not affect the proper division of labor.

The State Department, unfortunately, is not consistent in its instructions on that point to the Foreign Service. In some countries, the U.S. embassies conscientiously stay in close touch with all important elements of society, including a government's most determined opponents. But elsewhere, contact is constricted by inhibitions.

The United States should never have avoided contact of some sort with figures like the Ayatollah Khomeini, the exiled Iranian religious leader, keeping away from opposition figures was a misguided favor to the shah. Where open contact with opposition figures is standard procedure, as it is in some embassies, it will not be seen in a time of crisis as a hostile political act.

Third, the pull toward conformity can be disastrous to political analysis. In the early stages of the Vietnam War, many perceptive reports from lower-level field officers were muffled, distorted and even suppressed by high officials. A president needs to be vigilant not only about the skill of his ambassador in Tehran but also about the honesty of those in his own immediate entourage. We had not detected among Carter's foreign policy-makers the blinkered vision of the Johnson White House. But as an administration ages, a president needs to be alert to signs that officials are avoiding evidence that undermines their past assessments, which, it now appears, may have occurred in evaluating Iran.

Although gathering intelligence is primarily the job of the field agent, its evaluation is a shared responsibility. Those whom Carter calls the "customers" of intelligence must really want to hear the truth. Carter has not convincingly demonstrated that he viewed Iran with that sort of clear eye. There were visible storm signals in the palpable hatred of so many Iranians for the shah's rule well before the president received the lulling intelligence estimates. Let the customer beware.

THE NEW YORK TIMES.

International Opinion

Jailing of Mrs. Gandhi

It is extremely doubtful if the lower house of the Indian Parliament has acted wisely in voting to condemn Mrs. Indira Gandhi to jail and to expel her from the house. . . . What may look on the surface like a farce is in reality another oscillation in the dangerous see-saw of imprisonment and counter-imprisonment which has bedeviled Indian politics for the past few years. . . . Mrs. Gandhi is being helped to a martyr's crown at virtually no cost to herself, and it may well help in uniting the two wings of the Congress Party behind her. . . . The Janata Party's pursuit of Mrs. Gandhi is symptomatic of its weakness, its divisions and its ineffectiveness as the party of government. The economic situation is relatively favorable, yet Mr. Desai's Cabinet shows no sign of being able to lead the coun-

try forward. Its obsession with the past is a dangerous omen for the future.

— From the Financial Times (London).

View From Gibraltar

Seen from the Rock of Gibraltar, the new Spain is no better than the old. It may be a matter for general European rejoicing that Franco has been replaced by a democracy. But that same democracy still denies the Gibraltarians their right to travel, to communicate and to trade. The recent British-Spanish negotiations got nowhere.

The people who will have to decide Gibraltar's future are the Gibraltarians themselves. The harsh democratic fact is that the last time the Gibraltarians were offered the choice between joining Spain and the status quo, only 44 of them (out of a population of some 29,000) chose Spain.

— From the Guardian (London).

In the International Edition

Seventy-Five Years Ago
December 22, 1903

NEW YORK — The Philadelphia Inquirer commented: "Sen. Hoar is loose again. For much of the blood shed in establishing our domination in the Philippines, Mr. Hoar and his little band of anti-imperialists are directly responsible. In supporting native rulers, he prolonged the war and cost many U.S. soldiers their lives. Now he wants exact information on the president's role in the recent Panamanian revolution. In any other state than Massachusetts, a senator thus misrepresenting public opinion would be disciplined for such an act."

Fifty Years Ago
December 22, 1928

CHICAGO — "My life won't be worth a nickel if Pettiti gets out," said Ole Scully, when he announced plans to testify against several leaders of this city's infamous underworld society. He was right. Although Scully had five bodyguards with him yesterday, that didn't scare the 15 husky individuals who filed into the restaurant where he was sitting. Police found Scully with his skull smashed in, and his bodyguards suffering collective amnesia. That makes Chicago's 479th murder this year, and there are still 10 days to go.

Letters

Reply to Ullman

Re the statement by Rep. Al Ullman, D-Ore., the chairman of the House Ways and Means Committee (H.R. 29, Nov. 29): Without doubt, France is a desirable place in which to live and, to be permitted to earn one's living and pay taxes to the French government is a privilege.

But how can we be considered financially privileged when our living costs have no relation to those in the United States? For example, a gallon of gasoline here costs \$2.65 and is still going up.

I compliment your reporting the fact that the interview took place in one of the most expensive restaurants in Paris. I would be interested to know if we, the taxpayers, paid for Rep. Ullman's lunch. By the way, how many of us — the privi-

leged Americans — can afford to walk through the door of a famous restaurant these days and, if we do, is it tax-deductible?

V. OWEN.

Gassin, France.

Mad Mike Again

My thanks to the gentleman, who commented (Letters, Dec. 4) on a story appearing in your issue of Nov. 20. His comment: "It amazes me that your paper has nothing better to write about than the exploits of Mad Mike Hoare." After missing the story when it appeared, I was delighted to be given a second chance to read one of the most interesting stories I have read in a long time.

W.R. MILLER.

Vevy, France.

1500 1000

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Farm Pricing Perils EMS Start on Jan. 1

BRUSSELS, Dec. 21 (AP-DJ) — The European Economic Community's farm-price system will be put to a test on Jan. 1 when the new European Monetary System (EMS) begins. The system may place the scheduled art of the new European Monetary System in jeopardy, common Market officials said yesterday.

After a lengthy session, agricultural ministers rejected a French request for a devaluation of the so-called green French franc by 3.6 percent and refused to go along with French proposals for a firm, negotiable to gradually eliminate the monetary Compensatory Amounts (CA) used to offset currency disparities in community farm aid. "Green" currency rates, which vary from actual market rates from the currencies, are used to translate common farm prices in the community into national currencies.

French agriculture minister Pierre Méhaignerie had made acceptance of the ECU in community farm pricing dependent on agreement for a devaluation of the green franc. He stressed that because of the situation, a French reserve about EEC regulations concerning the introduction of the EMS at the start of the year, could not be lifted.

At a finance ministers' council last Monday, such regulations were approved in general but French economics minister René Monory made it clear that France's approval of the regulations was subject to the outcome of discussions for proposals dealing with the consequences of the EMS on the EEC's Common Agricultural Policy.

'Political Decision' Needed

Commission officials said the situation following the deadlock in the farm council over the ECU role in agriculture is totally unclear. They warned that, unless there is a "political decision" by France at the highest level, EMS may not be launched as scheduled.

However, despite the grim outlook for the start of the EMS, monetary officials remained confident that the problems could be solved and that the system would be launched with the start of 1979.

The agriculture ministers also rejected an Italian request to devalue the green franc by 5 percent. Officials said the majority of EEC member states felt that adjustments of green rates could be settled only within discussions about farm prices for the next marketing year, starting April. Price discussions are slated for mid-January.

[In Copenhagen, Danish agriculture minister Nils Kofod urged West Germany to accept French demands that EEC monetary compensatory amounts (MCA) be phased out of community agricultural policies within a year. He said since the EMS is primarily a West German concept, West Germany's agriculture minister should concede the French demands and ensure EMS is established as planned, Reuters reported.]

Dollar Stages Sharp Rebound In Thin Trade

LONDON, Dec. 21 (AP-DJ) — Greatly reduced turnover in Europe's foreign exchange market helped the dollar stage a sharp recovery today.

Because limited demand for dollars developed, possibly as a result of profit-taking on the currency's recent decline, the dollar rose sharply. Also helping to lift the dollar was a further rise in short-term Eurodollar interest rates. The one-month interbank rate rose to 12.06 percent offered at midday from 10.75 percent the day before while the three-month rate moved up to 12.31 percent offered from 12 percent.

Central bank activity in the market was minimal. Sources said the combined net dollar purchases of European central banks came to only \$33 million, with the Swiss National Bank accounting for \$30 million.

In trading for Deutsche marks, the dollar finished at 1.8588 in London dealings, up from 1.8385. It also rose to 1.6545 Swiss francs from 1.6418. Against the yen, it moved up to 194.80 from 194.30. It rose to 4.2625 French francs from 4.2025. Sterling ended at \$1.9972, down from \$2.0115.

U.S. Gold at \$214.17

WASHINGTON, Dec. 21 (AP-DJ) — The U.S. Treasury sold 1.5 million ounces of fine gold at an average of \$214.17 an ounce, it said late Tuesday.

In London, gold closed today at \$213 an ounce, down from \$215.65 an ounce yesterday.

The Treasury said there were 16 successful bidders at prices ranging from \$212 to \$217.50 an ounce. A total of 261 bids were submitted by 29 bidders for a total of 2.7 million ounces ranging from \$99.78 to \$217.50 an ounce.

Republic National Bank of New York was the largest successful bidder, taking 532,400 ounces at prices ranging from \$211.50 to \$217.50. Swiss Bank Corp. bought 310,800 ounces at between \$211.83 and \$216.28, and Union Bank of Switzerland bought 104,800 ounces at between \$212 and \$215.50.

China Steel Gains;

LTV Rigs for Peking

HONG KONG, Dec. 21 (UPI) — China's steel production will top 31 million tons this year, Chairman Hua Guofeng said today, and Dallas-based LTV Corp. announced it will sell China \$40 million worth of oil rigs to bolster its petroleum industry.

Radio Peking said Mr. Hua announced the 1978 steel production figures to a national metallurgical conference and at the same time revealed that 1,650 new oil wells have gone into production. The steel figure was up 7 million tons from last year, making it the biggest annual gain ever achieved, he said.



SINO-U.S. TRADE GOES BETTER WITH — Coca-Cola, the soft-drink giant, is about to make its re-entry into the Chinese market after 30 years. The "Very Refreshing" label above depicts a prototype of the 6½-ounce, returnable bottle that will let the Mainland pause to refresh.

AT&T Profits in Quarter Advance to \$1.36 Billion

By William H. Jones

NEW YORK, Dec. 21 (WP) — American Telephone & Telegraph reported yesterday \$1.36 billion in profits for the quarter ended Nov. 30, despite setting aside a substantial sum of funds for taxes and customer refunds in a controversial California case.

And, chairman John DeButts said, AT&T is conducting negotiations with the Soviet Union on the construction of two major manufacturing facilities. With telephone messages running last month at an annual rate of 15.1 billion — the highest in Bell System history — he was emphatic in stating that a recession next year or in 1980 appears improbable.

"While greater oil prices will have an impact, it won't be so great as was indicated by the reaction of the marketplace" earlier this week, he said, referring to the decision of oil-producing nations to boost oil prices next year by 14.5 percent.

AT&T's earnings help explain the relative optimism at the Bell System headquarters here. In the past three months, profits were \$1.36 billion (\$1.97 a share) compared with \$1.15 billion (\$1.74) in the same quarter of 1977. Revenues soared to \$10.6 billion from \$9.4 billion.

For the 12-month period ended Nov. 30, the nation's largest business enterprise (in terms of assets, employees and investment) earned \$5.24 billion (\$7.71 a share) compared with \$4.4 billion (\$6.76) and revenues rose to \$40.7 billion from \$36 billion.

As impressive as these figures are, they mask an actual decline in quarterly earnings per share when compared with two prior periods in 1978 — the result of a decision to set aside funds for the California case involving AT&T subsidiary Pacific Telephone & Telegraph Co. The cumulative effect was to lower AT&T profits by \$71 million for the latest 12-month period, by \$62 million for the prior 12 months and by \$80 million for the period of 1974 through Nov. 30, 1976.

California's Public Utility Commission has ordered Pacific Telephone to lower rates and make refunds, after finding that the company and not the firm should benefit from income tax benefits of accelerated depreciation and the federal investment tax credit — benefits that apply to utilities elsewhere. The Supreme Court has declined to review the California action and AT&T yesterday set aside the funds to comply, although resolution of the conflict may take years.

Company Reports

Revenue, Profits in Millions		
Britain		
BOC International		
Year	1978	1977
Revenue	1,196.00	670.60
Profits	66.50	82.20
Per Share	0.094	0.1419
FMC		
Year	1978	1977
Revenue	201.65	184.04
Profits	0.61	0.39 loss

(Continued on Page 13, Col. 5)

Funds Lift Cash Rate During '78

Bache Survey Cites Price Volatility Risk

NEW YORK, Dec. 21 (AP-DJ) — Pension funds, the nation's largest single source of buying power in the stock and bond markets, have acted very defensively in 1978 and may generate price volatility as they move into 1979 with their highest level of cash reserves in years.

Estimates are that pension funds raised their cash reserves this year to 18 percent of their assets from 14 percent last year and 7 percent two years ago, as an increasing number of pension-fund managers resorted to "market timing" in their strategies.

"Although we have inadequate history to go on, we suspect that 18 percent liquidity may be some sort of record reserve buying power," contends Frank Block, chief investment officer at Bache Halsey Stuart Shields Inc. The current level may have been exceeded at the end of 1978's first quarter, he adds, but "certainly, it is a record for our five-year history of surveys of pension funds."

Negative on Bonds

Mr. Block and an associate, Francine Blum, have just completed their fifth annual survey of pension-fund managers, conducted in late November and early December. The survey covered 145 pension managers at banks, private investment counseling companies, internally managed funds, insurance companies and state and local retirement fund systems. It covered about 70 percent of the nation's 100 largest pension-fund managers, who handle about 70 percent to 80 percent of U.S. pension money.

What the survey suggests to Bache is that pension funds have turned "extremely negative on bonds" and have remained cautious about stocks as they have increasingly fine-tuned their targets for cash reserves and for investments in stocks and bonds.

Among the findings of the Bache survey are:

- About 32 percent of the managers are holding in cash reserves about 25 percent of the assets targeted for investment in bonds, and the average maturity of actual bond portfolios is 10.5 years.

(Continued on Page 10, Col. 5)

U.S. Budget-Ceiling Revision Inevitable

By Art Pine and Hobart Rowen

WASHINGTON, Dec. 21 (WP) — Inflation and soaring interest rates soon may push this year's U.S. budget deficit to \$45 billion or more — \$6.3 billion above the ceiling set by Congress, congressional sources said yesterday.

Although much of the rise reflects higher-than-expected interest rates, the increase could make it more difficult for President Carter to slash next year's deficit below \$30 billion, as he has promised.

Congressional sources say it now seems almost certain that Congress will have to revise its budget ceiling next February. The White House also is expected to raise its own estimate of the fiscal 1979 deficit next month. The disclosures came amid these developments:

- In a move thought to signal a further rise in interest rates, Chemical Bank of New York, the nation's sixth largest, raised its prime rate to 11.75 percent, up from 11.5 percent before — barely below the 12 percent high.

- Treasury Secretary Michael Blumenthal predicted the economy will grow at a robust 3-percent clip this quarter, bolstering the administration's view that a recession is unlikely, at least for the next half year.

- The Commerce Department announced that last quarter's economic performance was more sluggish than was estimated previously, with gross national product rising at a modest 2.6 percent rather than the 3.4 percent reported previously.

- Presidential inflation-fighter Barry Bosworth criticized a new Securities and Exchange Commission rule requiring firms to report the impact of the new wage-price guidelines, saying it will boost paperwork needlessly.

- A subcommittee task force, finishing work on the administration's official 1979 economic forecast, predicted slightly slower growth for next year than some

policy-makers have been indicating recently.

The new budget estimates for fiscal 1979, prepared by Congressional budget makers, show overall government spending now likely to total \$496 billion — a full \$8.5 billion more than Congress projected last autumn.

About \$4 billion of the increase reflects higher-than-expected interest payments. Of the rest, \$1.5 billion stems from the impact of inflation and a weaker economy, and the remainder from Congressional omissions or program changes.

At the same time, the estimators predict inflation on shouldered federal tax receipts by just over \$2 billion, leaving the fiscal 1979 budget deficit \$6.3 billion above the \$38.7 billion projected before.

Congressional leaders earlier had pointed to the prospect of a \$38.7 billion deficit as evidence that Congress had practiced fiscal discipline. The administration's new deficit

(Continued on Page 13, Col. 5)

NYSE Prices Gain; Factory Orders Off

NEW YORK, Dec. 21 (Reuters)

Prices on the New York Stock Exchange closed narrowly higher in moderate trading today as caution ahead of the weekly money report trimmed earlier gains.

After the close, the Federal Reserve said the M-1 money supply for the week ended Dec. 13 fell \$100 million to \$360.5 billion. M-1 Plus fell \$200 million to \$584.1 billion and M-2 fell \$300 million to \$871.7 billion.

The Commerce Department said new factory orders for durable

goods declined a seasonally adjusted 0.9 percent in November following three months of strong increases. New factory orders fell to an adjusted \$76.23 billion after rising 6 percent in October to an adjusted \$76.98 billion and \$1.5 percent in September to \$72.65 billion. The new orders decline was the first since the 5.3-percent drop in July.

The department reported that new orders for non-defense capital goods — considered a barometer of future plant and equipment spending — fell 10.2 percent to an adjusted \$19.96 billion following a 10.3 percent rise to \$22.22 billion in October.

The Dow Jones industrial average added 1.13 points to 794.79 and advances led declines 784 to 698. Volume rose to 28.67 million shares from yesterday's 26.52 million. Yesterday, the Dow average rose 3.81 points to 793.66.

SEC Sets New Ruling On Oil, Gas Reserves

WASHINGTON, Dec. 21 (AP-DJ) — The Securities and Exchange Commission adopted a controversial accounting rule that requires oil and gas companies to disclose the current value of their estimated net revenues from production of proven reserves.

Initially, companies will be expected to discuss current value of estimated future net revenues in the narrative portion of their annual reports. But beginning with the annual reports for fiscal 1979 the figures would have to appear in audited financial statements.

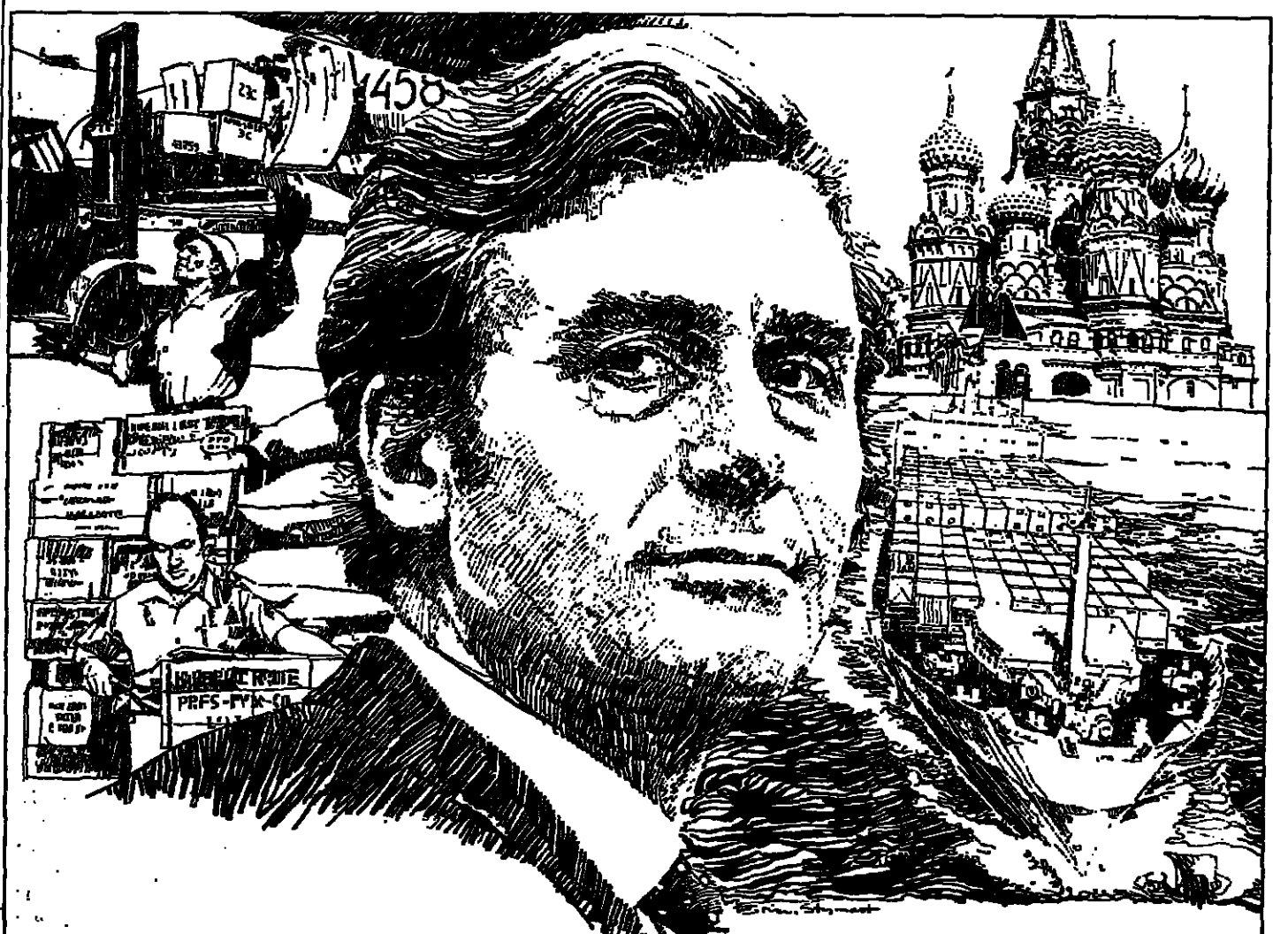
Ireland Endorses EMS

DUBLIN, Dec. 21 (Reuters) — The Irish parliament today endorsed the government's decision to join the European Monetary System from its inception on Jan. 1. Voting was 77-13 in favor, with the main opposition party Fine Gael abstaining.

Oxy Pete Drops Its Bid for Mead

LOS ANGELES, Dec. 21 (UPI) — Occidental Petroleum Corp. has dropped its \$1-billion bid to take over Mead Corp. because of the "ferocity" of Mead's opposition and the likelihood of lengthy court battles.

Occidental said the strong fight by Mead executives to stave off its proposed tender offer had convinced it that "cooperation is unobtainable." It added that even if Occidental is successful in court, the trials and appeals "could stretch over many months." Both Mead and the Justice Department had filed antitrust actions to block the Occidental takeover bid.



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Trade Development Bank

Shown at left, new head offices of Trade Development Bank, Geneva. Swiss subsidiary of the Trade Development Bank Holding Group. TDB is now the sixth largest commercial bank in Switzerland.

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